



ESTADO LIBRE ASOCIADO DE
PUERTO RICO
JUNTA REGLAMENTADORA DE TELECOMUNICACIONES &
DEPARTAMENTO DE TRANSPORTACIÓN Y OBRAS PÚBLICAS



LIFELINE MODERNIZATION

**Puerto Rico Telecommunications Regulatory Board
FEDERAL COMMUNICATIONS COMMISSION
FEBRUARY 25, 2016**

Javier Rúa Jovet, Esq.
Chairman PRTRB
WC Docket Nos. 11-42, 09-197, 10-90
February 25, 2016



AGENDA

- Broadband gaps in Puerto Rico are severe, endemic, and of national concern
- Lifeline modernization must address Puerto Rico's adoption gap
- Lifeline modernization must not create “qualification gaps” in Puerto Rico



Telecommunications Regulatory Board of Puerto Rico (PRTRB)

- Created by PR Law 213 of 1996; as per the Federal Telecommunications Act of 1996
- 5 members, responsible for telecom & cableTV
- Cable TV/IP TV Franchising Authority
- Controversies & Interconnection Agreements between companies
- **Universal Service Fund** (Lifeline/TRS)
- Consumer protection (telecom, cableTV & DBS billing, contractual and quality of service issues)
- Telecom ROWs/easements & connection points



Broadband Adoption in Puerto Rico

- At 45%, broadband adoption in Puerto Rico is the **LOWEST** in all states and territories.
- There are nearly **2 million non-adopters** in Puerto Rico – more than the disconnected populations of Idaho, Maine, Montana, New Hampshire, North Dakota, South Dakota, Vermont, and Wyoming **combined**.
- San Juan has the **lowest broadband adoption rate** of any U.S. city.
- There are only five metropolitan areas in the entire U.S. with broadband adoption less than 50%—**three of them are in Puerto Rico**.



San Juan, PR, pop. 351,290
45% adoption rate—lowest in U.S.

Source: Census Bureau, 2014 American
Community Survey



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Mayaguez, pop. 64,488
Broadband Adoption Rate: 49%

Island-Wide
Broadband Adoption Rate: 45%



Ponce, pop. 124,015
Broadband Adoption Rate: 47.6%



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PAIS BANDA ANCHA

“PAIS Banda Ancha”, literally *Broadband Nation* in Spanish, is the PRTRB institutional vision to implement the Puerto Rico Broadband Strategic Plan and thus promote the development of high speed Internet throughout Puerto Rico.

The acronym PAIS means: “In a Planned manner, promote Access & Adoption, and Incentivize broadband Services.”





PRTRB Broadband Initiatives

The PRTRB has clear statutory authority under Law 213 to ***“promote the investment of capital in the development of telecommunications infrastructure”*** and must ensure that ***“advanced telecommunications services shall be available”*** in all of the Island’s towns and communities, as well as schools, libraries and other community anchor institutions.

- ***“ViaDIGITAL”*** Project: access and use of existing duct infrastructure owned by a public corporation (DTOP) for installation of fiber optic cables by telecommunications parties.
- **Puerto Rico Broadband Strategic Plan (Gigabit Island Plan):** PRTRB is working with public and private entities to incentivize the deployment and adoption of BB services across island.
- Implement and administer the Puerto Rico Universal Service Fund (Lifeline/TRS)
- Broadband mapping, planning and policy analysis, via ConnectPR initiative.



Puerto Rico Access Initiatives

Free Wi-Fi Town Squares & Internet Centers – PRTRB has installed Wi-Fi in 43 “municipal plazas” and 35 Internet Centers in certain municipalities as of October 2015

- **PRTRB provides initial capital funding to construct Wi-Fi infrastructure**
- **Municipal government operates and maintains Wi-Fi facilities thereafter**
- **Free Internet access and use by people/communities in municipalities**
- **49 municipalities already benefited by either or both type of facilities**



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PRTRB Training Initiatives

“TecnoAbuelos” Training Program – PRTRB funds an island-wide community program where senior citizens are trained on how to access/use Internet services using computer and smart devices. A mobile Wi-Fi equipped unit is being used to run such Internet adoption program across all municipalities.

As of December 2015, 3,500 people have benefited from this project. In the coming months we expect to positively impact over 2,750 more.

Si tienes 55 años o más y quieres aprender a usar los Teléfonos Inteligentes y las Tablet...
¡Este Curso es para ti!

La Junta Reguladora de Telecomunicaciones de Puerto Rico te invita a aprender sobre las ventajas de navegar por internet, usar redes sociales y maximizar su uso. A través del curso introductorio de TecnoAbuelos, aprenderás de forma sencilla a usar y comunicarte a través de los teléfonos inteligentes y las tabletas. Comunicarte con familiares y amigos, aprender a buscar información sobre noticias, salud, pasatiempos y mucho más. Explora, diviértete y mantén tu mente activa usando la tecnología.

TecnoAbuelos.com
"Conectando generaciones"

Mayo 18-22	Mayo 26-27	Junio 2-10
• Utuado, mayo 18	• Barranquitas, mayo 26	• Vieques, junio 2
• Sabana Grande, mayo 20	• Orocuiva, mayo 27	• Culebra, junio 3
• Cabo Rojo, mayo 20	• Morovis, mayo 27	• Coamo, junio 10
• Guánica, mayo 22		

Tráe tu Teléfono Inteligente y/o Tableta. Espacios limitados.

LLAMA AL 311 de lunes a viernes e INSCRIBETE GRATIS





Other Ongoing Initiatives

Memoranda of Understanding between PRTRB and:

- **State Elections Commission (SEC)** – Establish free Internet Centers throughout the 88 SEC Electoral Inscription Offices islandwide. The first 15 of these will open before December 31, 2015.
- **Puerto Rico Science and Technology Trust** – In conjunction with Puerto Rico Broadband Task Force, establish metrics and economic growth indicators based on Internet Protocol traffic across the Island.
- **Puerto Rico Infrastructure Financing Authority** – Contribute with specialized public schools in Puerto Rico by donating 458 Chromebooks to students, with similar projects in pipeline.



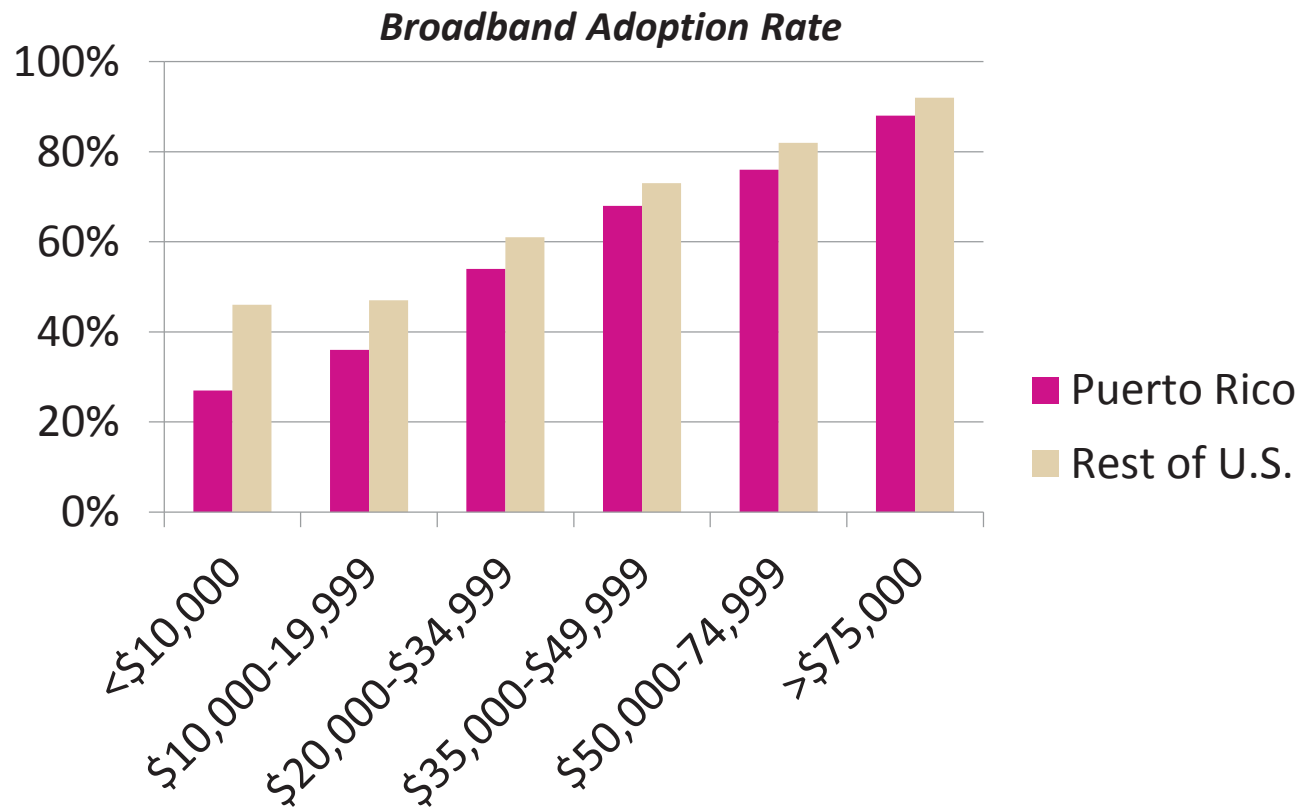
Lifeline will only be a success if it succeeds in Puerto Rico

- Lifeline in Puerto Rico ranks 10th among the 50 states and territories—over 415,000 households enrolled
- The TRB has run a state Lifeline fund since 2003, funded through intrastate service assessments (1.39%).
- The PR Lifeline Fund must, by statute, “complement” the FCC Lifeline fund
- Voice Lifeline is a success: there is virtually no “voice adoption gap” in Puerto Rico
 - Puerto Rico voice adoption: 94.3%
 - Rest of U.S. voice adoption: 97.6%

Source: U.S. Census, 2014 American Community Survey; FCC-State Joint Board on Universal Service Monitoring Report, 2014, Table 6.6

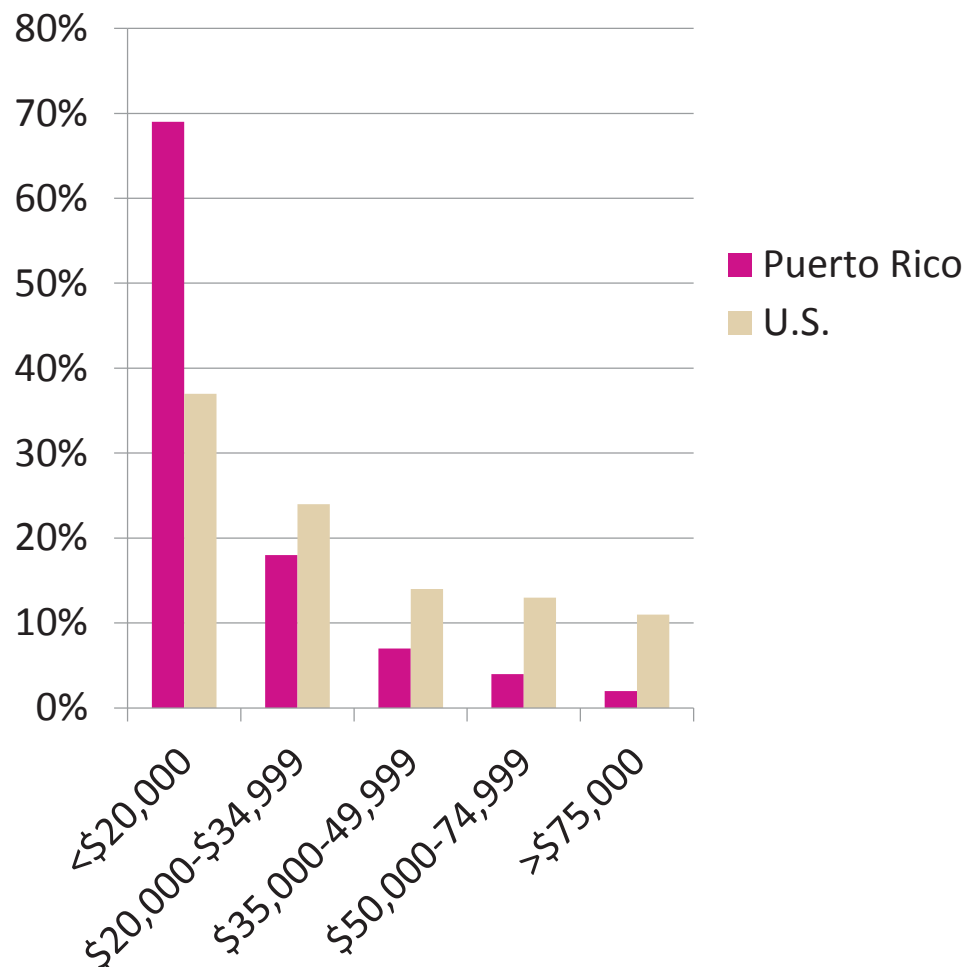


The Broadband Adoption Gap in Puerto Rico is particularly deep for families with the lowest incomes...which comprise a majority in Puerto Rico





Percentage of Non-Adopting Households, Sorted by Annual Income



- **2 out of 3 (69%) non-adopting households in Puerto Rico have annual income less than \$20,000**
- An effective Lifeline broadband program can benefit Puerto Rico significantly
- 3 Lifeline broadband pilots in Puerto Rico enrolled more low-income households than all the other pilots **combined**



Lifeline Recommendations

- No “Qualification Gaps” —FCC must recognize that public assistance programs in Puerto Rico differ than programs on the mainland
- Create a third-party verification process that works with territorial, state, and local government initiatives
- Incorporate community institutions and training initiatives



*An **independent income verification process is necessary**, especially in Puerto Rico, where access to federal assistance programs is limited and different qualification standards from the mainland exist.*

- Limiting Lifeline enrollment to enrollment in certain federal public assistance programs could throw hundreds of thousands of low-income Puerto Rico residents out of the program.
- Such a “qualification gap” could even affect voice adoption in Puerto Rico.
- Coordinated enrollment offers potential efficiencies but cannot be the only solution.



Federal assistance programs in Puerto Rico have different qualification standards—an independent income verification process is necessary to avoid creating “Qualification Gaps” in Puerto Rico.

Federal Nutrition Assistance

- Programa de Asistencia Nutricional (PAN) funded by USDA block grant
- To qualify, household income must be 23-36% of poverty line or less—compared to 100% for SNAP
- USDA: if SNAP were available in Puerto Rico, enrollment would increase nearly 40% (from 554k to 771k households)

National School Lunch Program: Puerto Rico student families do not enroll—there is no coordinated enrollment opportunity

Medicaid: Federal funding in Puerto Rico is capped and substantially lower than states, resulting in lower income threshold to qualify



To receive nutrition assistance in Puerto Rico, a family must have a substantially lower income than a mainland family needs to receive SNAP.

Household Size	Maximum Annual Income to Qualify for PAN	% Federal Poverty Level to Qualify for PAN	Net Annual Income to Qualify for SNAP (100 poverty rate)
1	\$2,796	23.8%	\$11,772
2	\$5,592	35.1%	\$15,936
3	\$7,188	35.8%	\$20,100
4	\$8,556	35.3%	\$24,252
5	\$9,912	34.9%	\$28,416
6	\$11,316	34.7%	\$32,580
7	\$12,708	34.6%	\$36,732

Source: Nutrition Assistance for Puerto Rico, Benefits.gov, <http://www.benefits.gov/benefits/benefit-details/363> ; Food and Nutrition Service, USDA, Supplemental Nutrition Assistance Program Eligibility, <http://www.fns.usda.gov/snap/eligibility> (rev. Oct. 1, 2015)



*Create a national **third-party income verification process/database** that will work with territorial, state, and local governments*

- State government, local, and community institutions should be seen as **customers** of this database and process—so we can integrate the national process into our own programs, like PR Lifeline, Wi-Fi Town Squares, and TecnoAbuelos.
- Work directly with PRTRB, states, and state assistance agencies to take full advantage of potential coordinated enrollment efficiencies.
- Do not **require** states and territories to build their own databases, but instead **work aggressively** with states and territories that have such databases and programs.
- Fund through federal USF contributions and have USAC contract with states and territories that administer their own databases or that undertake enrollment responsibility.



Other Recommendations

- All recipients of Connect America Fund subsidies should be required to participate in a modernized Lifeline.
- The Lifeline program should work directly with community institutions that offer digital literacy training and outreach services
 - Purchases of connectivity by state, local, and community institutions that benefit qualifying low-income population should qualify for Lifeline support
 - Support and incorporate digital literacy and training initiatives, like TecnoAbuelos and Wi-Fi Town Squares, in to the Lifeline program and outreach efforts
 - Allow adoption initiatives to aggregate qualifying low-income consumers

Let's work together to solve these
challenges for Puerto Rico!